

NFO Period

**11th Jan
2024 – 25th
Jan 2024**

DSP Nifty Healthcare ETF

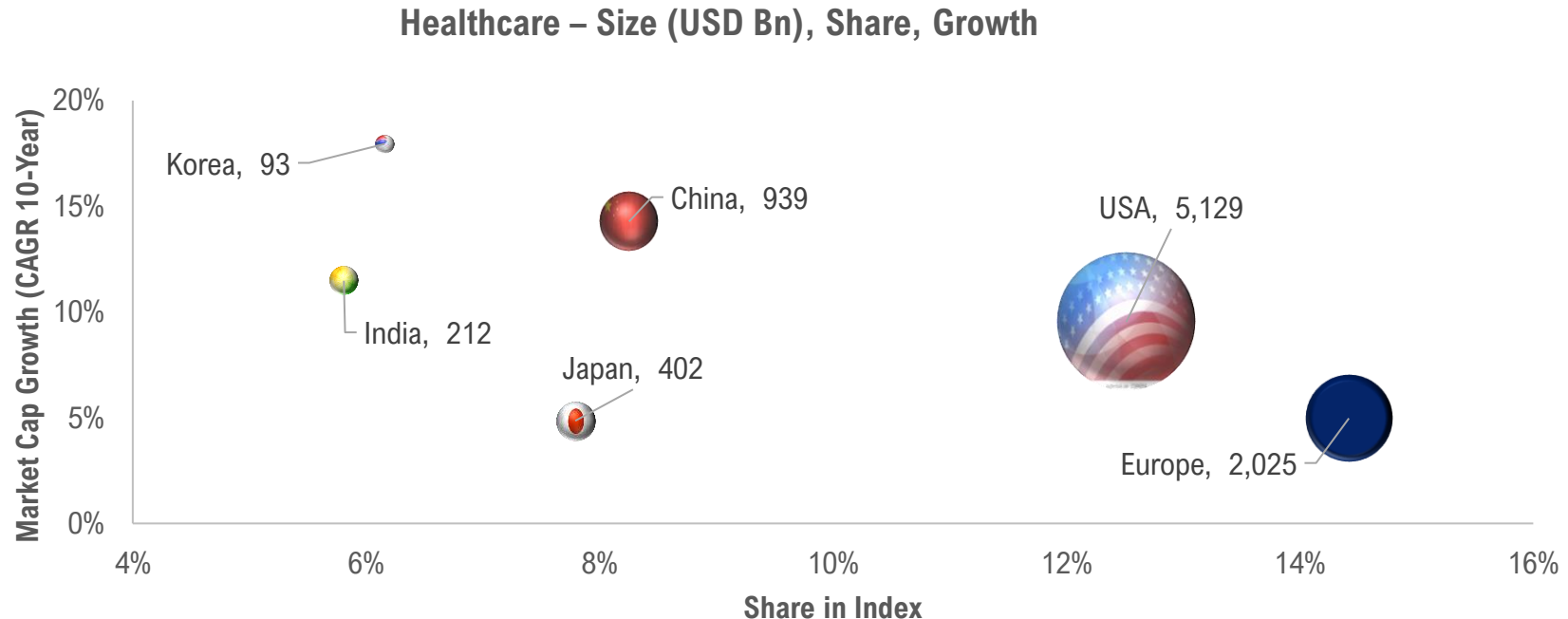
An opportunity to participate in India's growing healthcare sector

An open ended scheme replicating/ tracking Nifty Healthcare Index

DSP
MUTUAL FUND

Healthcare – Structural Story

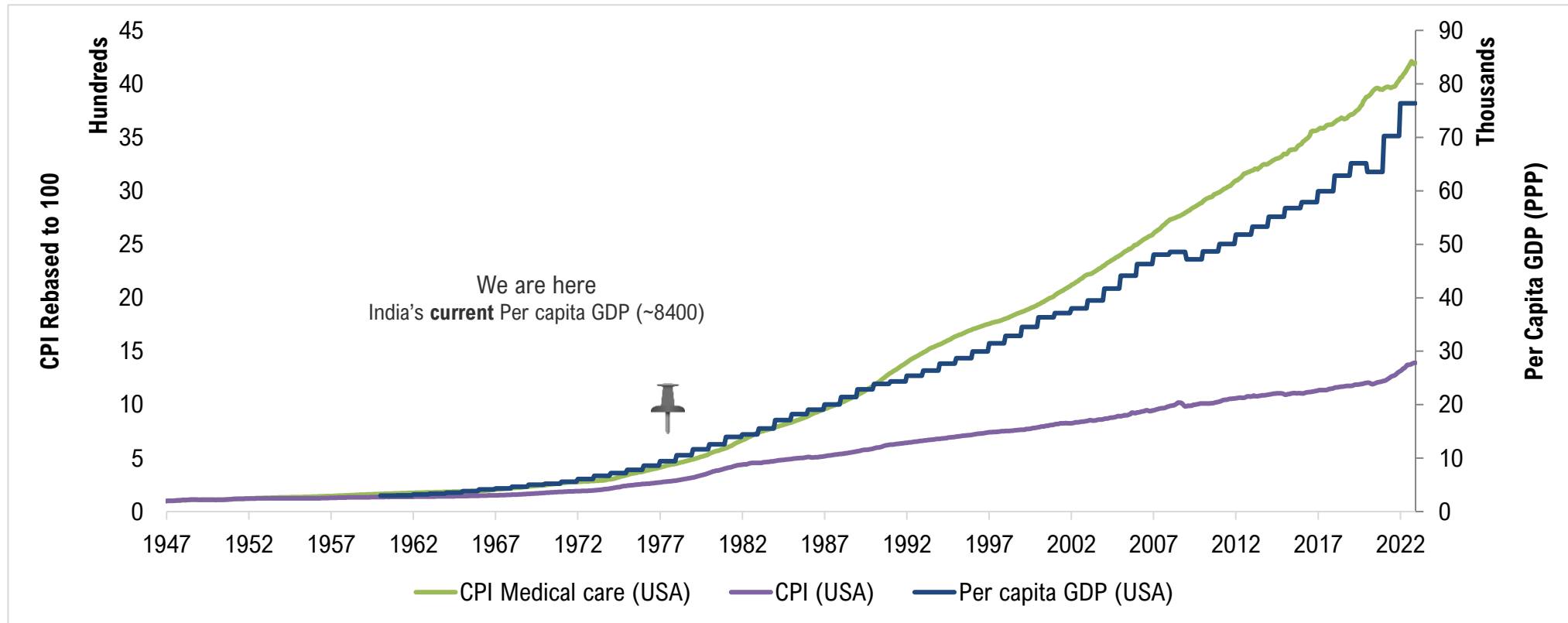
Lower weight in Equity Index than peers, can it change?



India's healthcare market cap has grown at a decent ~10% in the last 10 years. Today, share of healthcare is ~5.8% of the total market capitalization in India, is one of the lowest compared to its developed and Emerging Market peer countries. Over time India's focus on healthcare may help bridge this gap versus other markets.

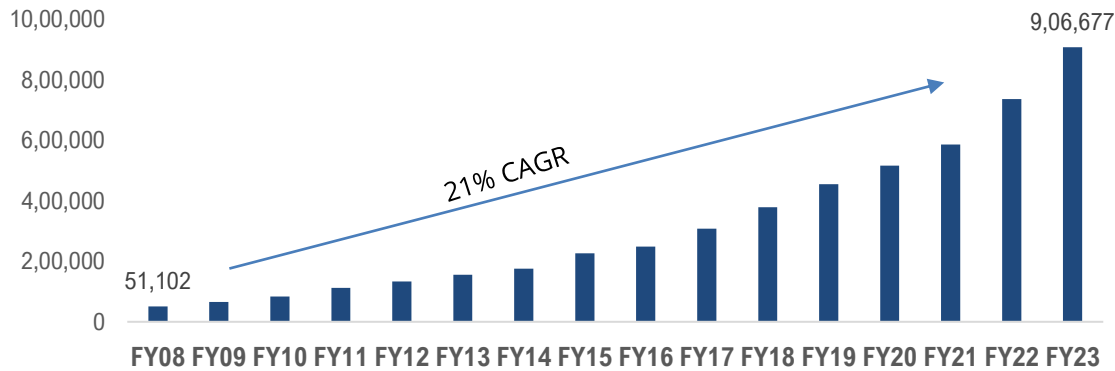
Healthcare – Structural Story

Prosperity may come with high medical costs. Dedicated medical corpus that invests in healthcare companies becomes imperative

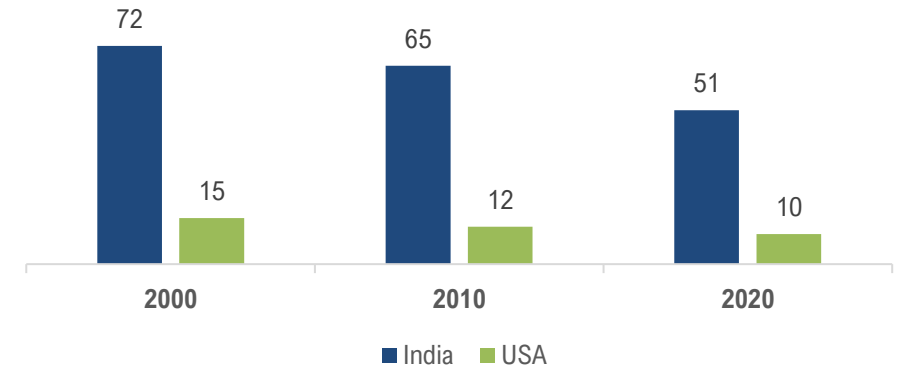


Healthcare – Structural Story

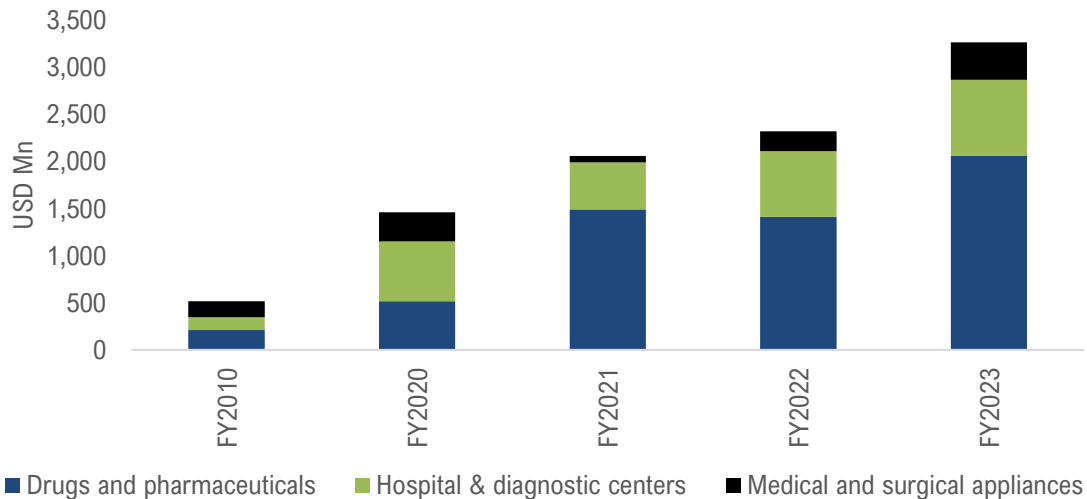
Health Insurance Industry GDPI (₹ Mn)



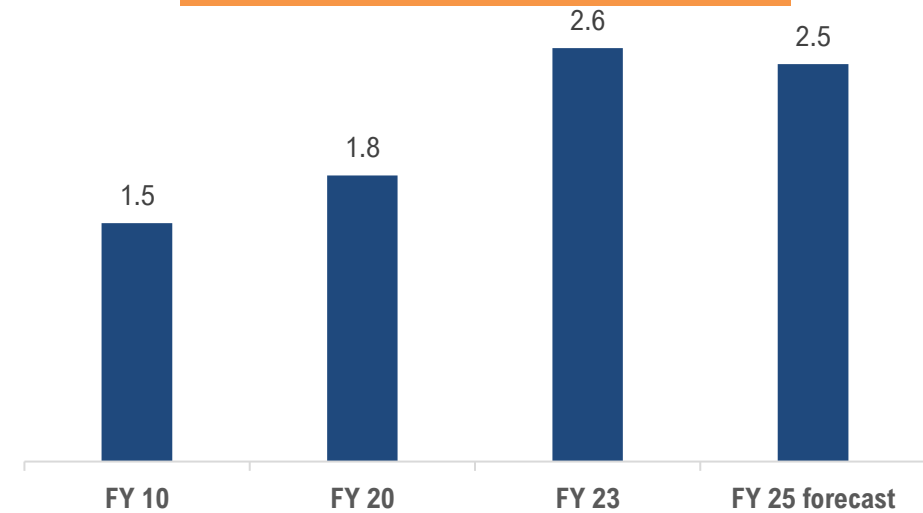
Declining 'out of pocket share' due to increasing insurance penetration



Rising FDI in healthcare is a catalyst

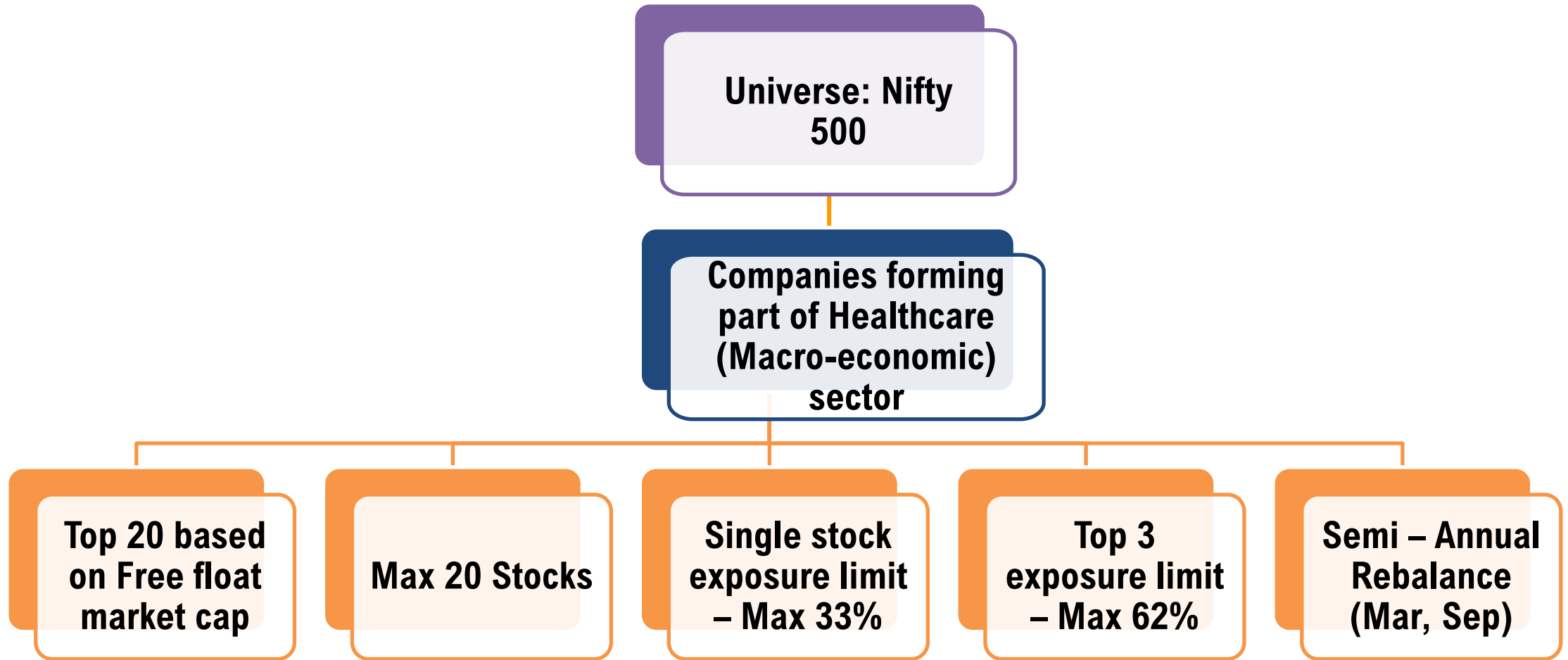


Govt. Health expenditure (India) % of GDP



About the Index

Index explained



Portfolio Details – Nifty Healthcare Index

Top 10 Holdings

Top 10 companies	Sub - Sector	Weights (%)
SUN PHARMACEUTICAL INDUSTRIES LTD.	Pharmaceuticals	20.9
DR. REDDY'S LABORATORIES LTD.	Pharmaceuticals	11.1
CIPLA LTD.	Pharmaceuticals	10.0
APOLLO HOSPITALS ENTERPRISE LTD.	Hospital	8.8
DIVI'S LABORATORIES LTD.	Pharmaceuticals	7.6
MAX HEALTHCARE INSTITUTE LTD.	Hospital	7.4
LUPIN LTD.	Pharmaceuticals	4.9
AUROBINDO PHARMA LTD.	Pharmaceuticals	4.6
ALKEM LABORATORIES LTD.	Pharmaceuticals	3.7
TORRENT PHARMACEUTICALS LTD.	Pharmaceuticals	3.1
Total		82.0

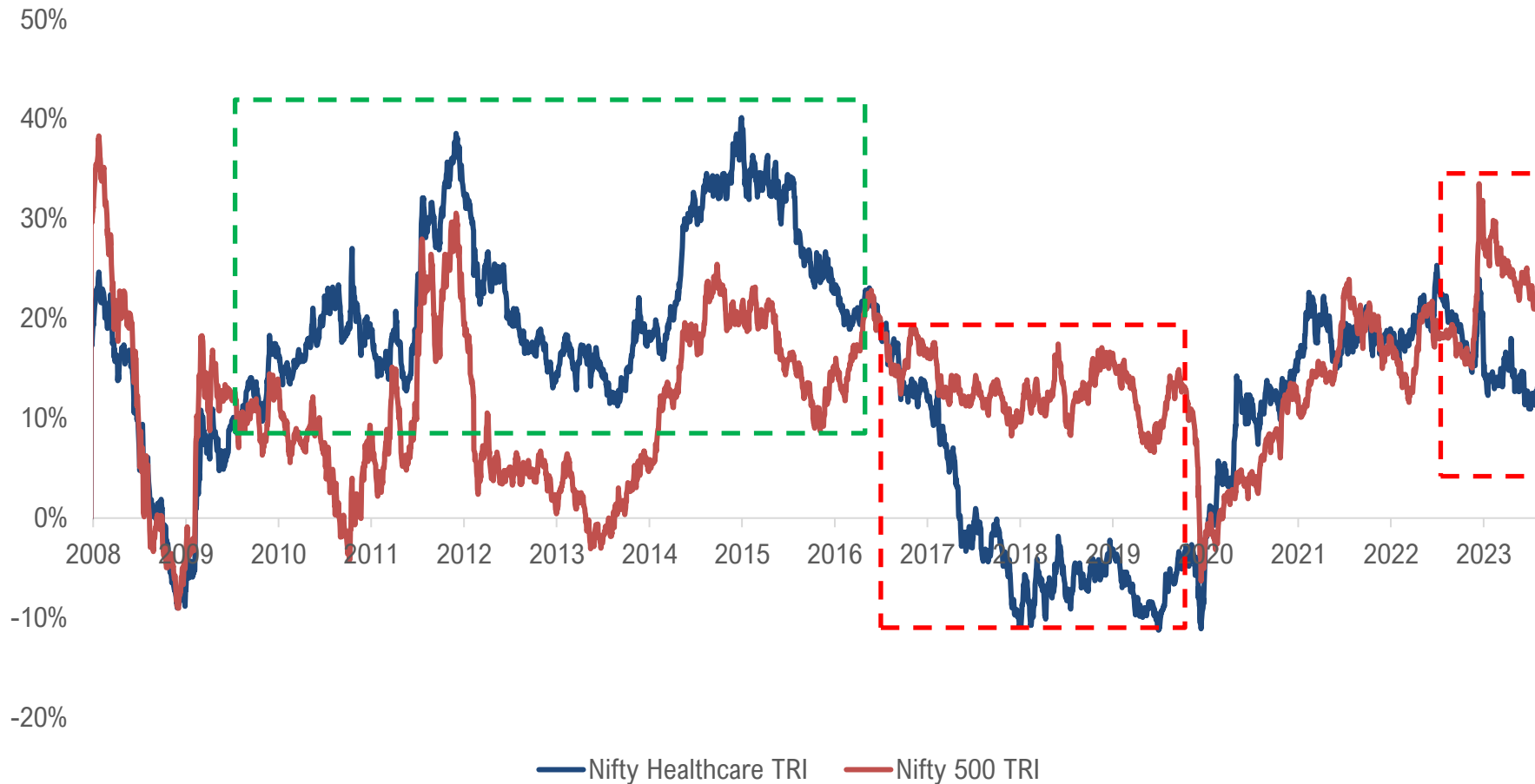
Diversified Theme

Sectors	Weights (%)
Pharmaceuticals	80
Hospital	16
Pathology	2
Healthcare Research Analytics & Technology	2
Grand Total	100

Performance

Healthcare Sector can provide reasonably High Returns if timed well

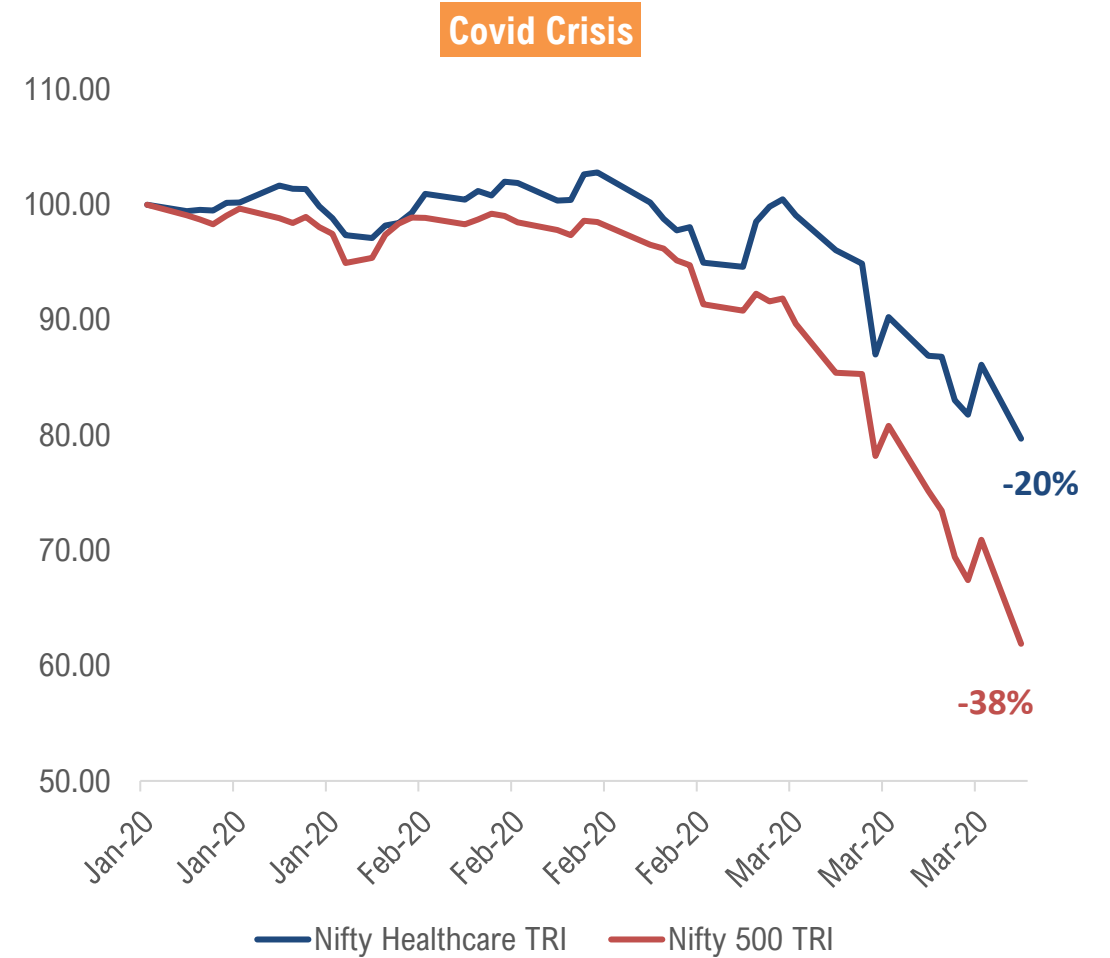
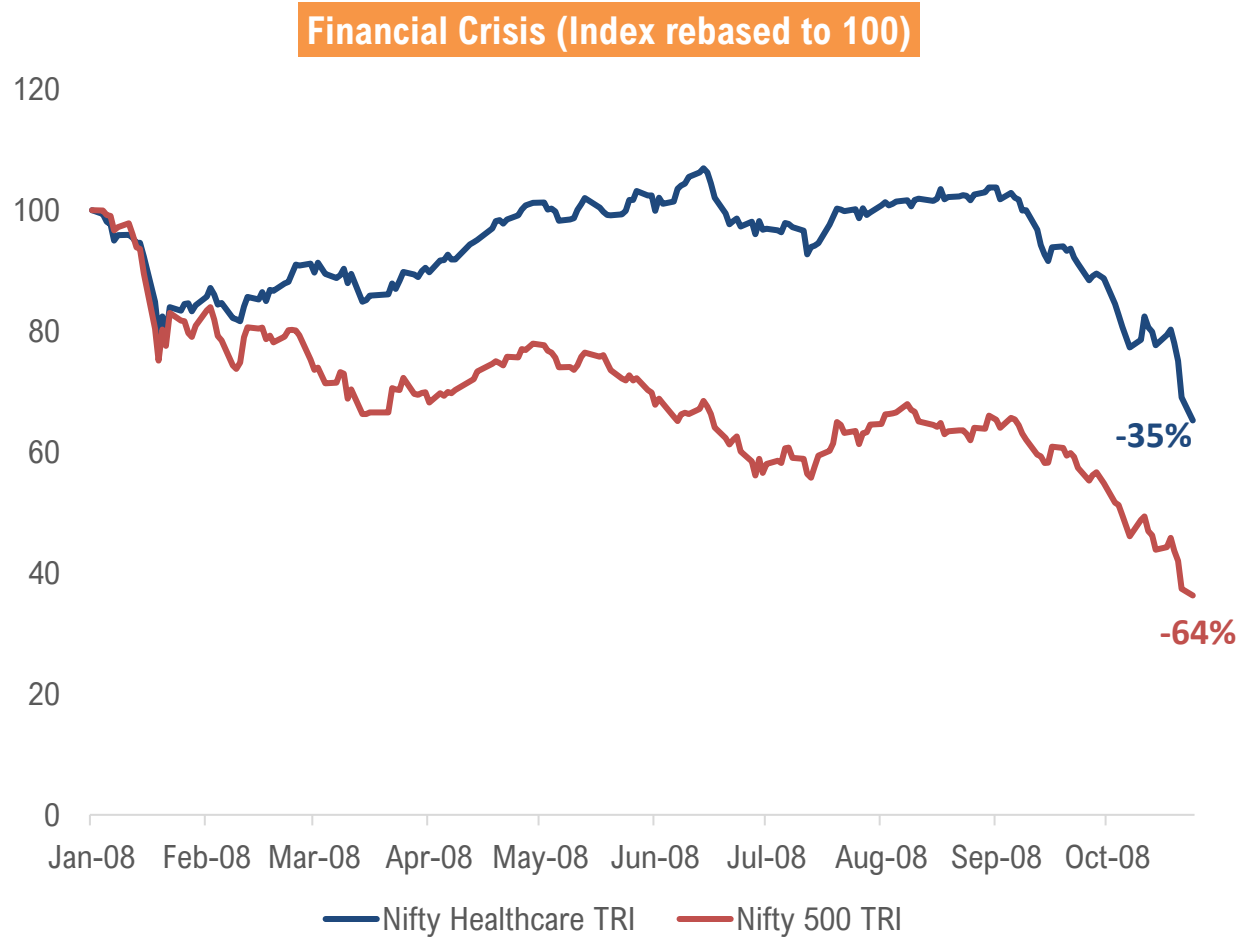
3 Year rolling returns



Healthcare Sector can provide varied returns outcome compared to diversified equity. Sector can provide reasonably high returns if timed well; but can also give subdued returns in case of incorrect timing

Source – NSE. Data as on 30 Nov 2023. The sector(s)/stock(s)/issuer(s) mentioned above do not constitute any research report/recommendation and the schemes of DSP mutual fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.** These figures pertain to performance of the index and do not in any manner indicate the returns/performance of this scheme.

Defensive Sector falls less during crisis



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People

Portfolio Management / Dealing / Analysis



Anil Ghelani, CFA
(20)
Head of Passive
Investments &
Products



Diipesh Shah
(19)
Vice President



Neha Rathi
(5)
Manager



Ravi Gehani
(7)
Manager

Passive Investments Process

Pre - Trade Evaluation

Review Opening Portfolios
and forecast Cash Flows

Track mandatory and
elective Corporate Actions

Track Scheduled and Adhoc
rebalances

Investment Decision

Review market liquidity to
manage impact costs

Strategy for stock level
timing and pace of
execution

Monitor
real time market movement

Identify price movements
and evaluate stock lending
opportunities

Post - Trade Analysis

Evaluate trade execution

Analyse Tracking Error

Ensure real time portfolio
weights align with
underlying index

In line with global best practices - dedicated passive investment desk to increase focus

Scheme Details

Nature	Details
Name of the Scheme	DSP Nifty Healthcare ETF
Category of the Scheme	ETF
Type of the Scheme	An open ended scheme replicating/ tracking Nifty Healthcare Index
Investment Objective	The Scheme seeks to provide returns that, before expenses, correspond to the total return of the underlying index (Nifty Healthcare TRI), subject to tracking errors. There is no assurance or guarantee that the investment objective of the scheme will be achieved.
Benchmark details	Nifty Healthcare TRI
Minimum Application Amount (Fresh purchase)	During NFO period - Rs. 5,000 and in multiples of Re. 1/- thereof.
Exit Load	Nil
Fund Manager	Mr Anil Ghelani, Mr Diipesh Shah
NFO open date	11 Jan 2024
NFO close date	25 Jan 2024
Expense Ratio	Upto 0.20%*

Risks

Concentration Risk

- This index provides exposure only to the Healthcare sector, leading to sector-level concentration risk
- This index has only 20 stocks, thereby leading to stock level concentration risk

High Volatility & Drawdown

- This fund can have higher volatility & drawdowns as compared to diversified equity funds

Underperformance

- This fund can underperform diversified equity funds in the short-term

Risks – Tracking Error

The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the underlying index due to certain factors such as the fees and expenses of the respective scheme, corporate actions, cash balance, changes to the underlying index and regulatory policies which may affect AMC's ability to achieve close correlation with the underlying index of the scheme. The scheme's returns may therefore deviate from those of its underlying index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the respective scheme. Tracking Error may arise including but not limited to the following reasons:

- i. Expenditure incurred by the fund.
- ii. The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses. The fund may not be invested at all time as it may keep a portion of the funds in cash to meet redemptions or for corporate actions.
- iii. Securities trading may halt temporarily due to circuit filters.
- iv. Corporate actions such as debenture or warrant conversion, rights, merger, change in constituents etc.
- v. Rounding off of quantity of shares in underlying index.
- vi. Dividend payout.
- vii. Disinvestments to meet redemptions, recurring expenses, Income Distribution Cum Capital Withdrawal (IDCW) payouts etc.
- viii. Execution of large buys / sell orders
- ix. Transaction cost (including taxes and insurance premium) and recurring expenses
- x. Realization of Unit holders funds
- xi. Index providers may either exclude or include new scrips in their periodic review of the scrips that comprise the underlying index. In such an event, the Fund will try to reallocate its portfolio but the available investment/reinvestment opportunity may not permit absolute mirroring immediately.

SEBI Regulations (if any) may impose restrictions on the investment and/or divestment activities of the Scheme. Such restrictions are typically outside the control of the AMC and may cause or exacerbate the Tracking Error. It will be the endeavor of the fund manager to keep the tracking error as low as possible. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities, and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, etc. or in abnormal market circumstances may result in tracking error. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

For more details on scheme specific risk factors, please read the Scheme Information Document and Key Information Memorandum of the scheme available at the Investor Service Centers of the AMC and also available on www.dspim.com.

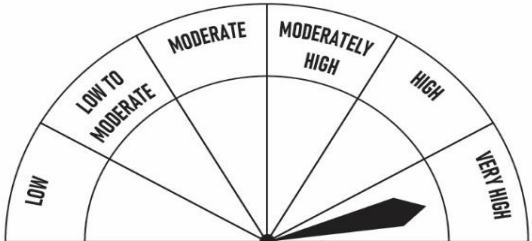
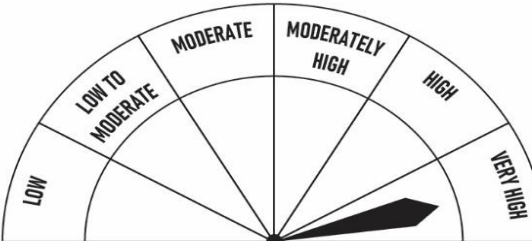
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For index disclaimer, Click [here](#)

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

<p>DSP Nifty Healthcare ETF (An open ended scheme replicating/ tracking Nifty Healthcare Index)</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> •Long-term capital growth •Investment in equity and equity related securities covered by Nifty Healthcare Index, subject to tracking error.. <p>*Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them.</p>	<p style="text-align: center;">SCHEME RISKOMETER</p>  <p style="text-align: center;">RISKOMETER</p> <p style="text-align: center;">INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>	<p style="text-align: center;">BENCHMARK^ RISKOMETER</p>  <p style="text-align: center;">RISKOMETER</p> <p style="text-align: center;">INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>
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DSP
ASSET MANAGERS

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